

Federal Tools for Financing Idle Reduction

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National Resource Center

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Innovative Financial Tools

◆ State-Based Tools

- CMAQ funds
- State Infrastructure Banks (SIBs)
- Section 129 Loans
- GARVEEs

Federal-Based Tools

Transportation Infrastructure Finance and Innovation Act (TIFIA)

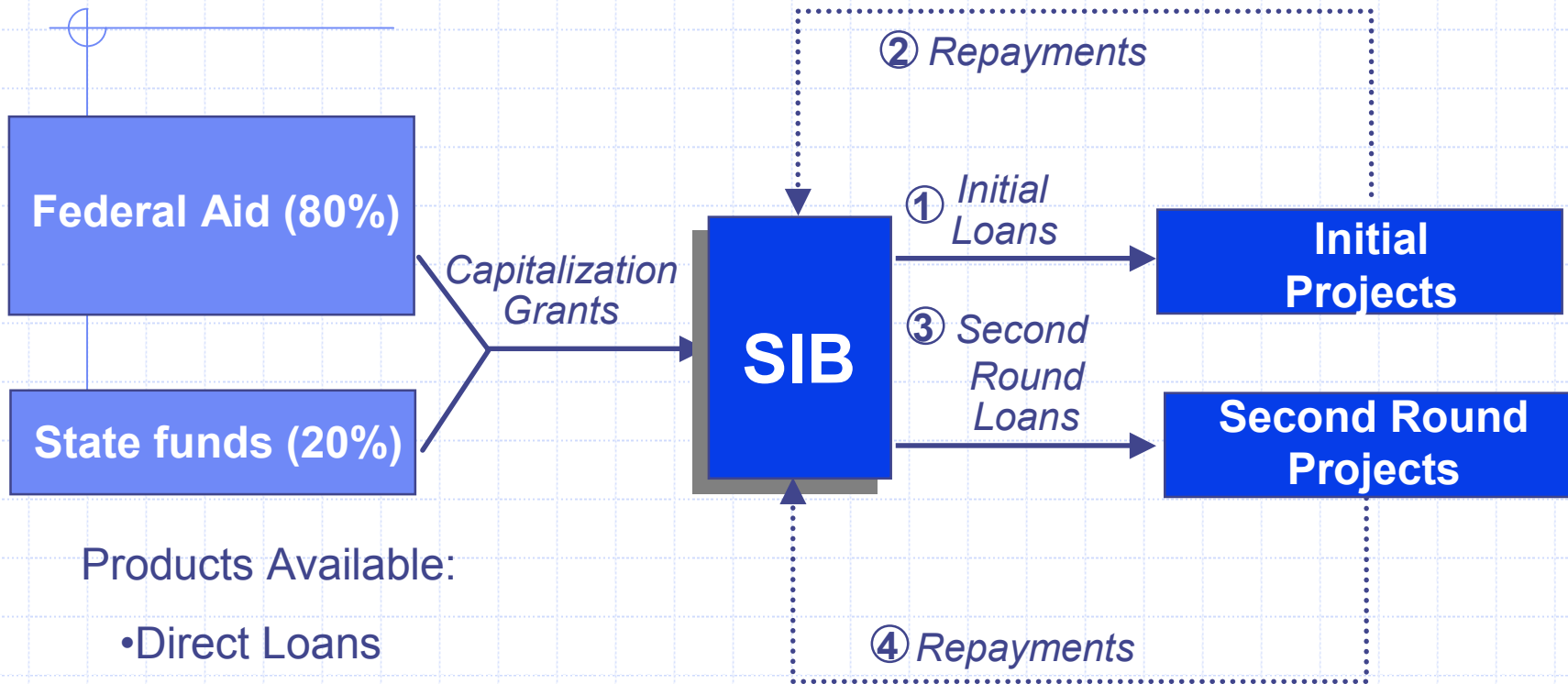
Common Aspects of Tools

- ◆ Must be eligible for federal funds under Title 23 of the United States Code (typically CMAQ)
- ◆ Must follow federal requirements (although some flexibility for private projects)
- ◆ All roads usually lead to state DOTs except for TIFIA

State Infrastructure Banks

- ◆ State DOTs often have these banks, which are a federally-capitalized fund source of low-cost financing for eligible projects
- ◆ Maximum loan term is 35 years; interest rate set by state
- ◆ Can make a large project affordable for a nonprofit or local community (I.e., \$200,000 over 30 years at 5% interest = a mortgage payment).

Flow of Funds – State Infrastructure Banks

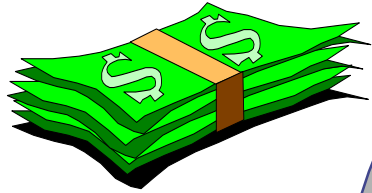


Products Available:

- Direct Loans
- Credit Enhancements
- Other

SECTION 129 LOAN EXAMPLE

PROJECT
SPONSOR



**\$10 million
loan**
**\$ 8 million
Federal-aid**
**\$ 2 million
match**



STATE DOT

**Repayments
from any
dedicated
source**

***Can use repayments
for any Title 23 project**

GARVEEs

- ◆ Permits states to borrow against future Federal-aid funding
- ◆ States pay debt payments with Federal aid
- ◆ Also spreads out cost of expensive projects over many years

TIFIA (Direct Federal Credit)

- ◆ Transportation Infrastructure Finance and Innovation Act (TIFIA)
- ◆ Currently limited to \$100 million or greater size (proposed \$50 million)
- ◆ CMAQ-eligible projects can apply (and have!)

For More Information

- ◆ Contact your local FHWA Division Office (one in every state capital)
- ◆ For financial questions, contact Jennifer Mayer at the FHWA National Resource Center, (415)744-2634, jennifer.mayer@fhwa.dot.gov